

ANGEL UNIT OPERATING AGREEMENT

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MAY 24 2012

**DIVISION OF
OIL AND GAS**

THIS ANGEL UNIT OPERATING AGREEMENT (this "Agreement") is made effective and adopted as of January 1, 2012 (the "Effective Date"), by Linc Energy (Alaska), Inc., a Delaware corporation ("LINC").

RECITALS

- A. LINC has entered into the ANGEL UNIT AGREEMENT, hereinafter referred to as "Unit Agreement."
- B. LINC has adopted this Agreement pursuant to Section 7.1 of the Unit Agreement.
- C. LINC owns a 100% interest in the oil and gas leases described and identified in Exhibit 1 attached hereto and made a part hereof, which are depicted on the plat attached as Exhibit 2.
- D. LINC desires to provide for exploration and development Operations on said leases.
- E. LINC will conduct those Operations.

ARTICLE 1.
DEFINITIONS

Whenever the following terms are used in this Agreement, they shall have the meaning stated in this Article 1.

LINC is defined in the preamble.

Agreement is defined in the preamble.

Commissioner means the Commissioner of the Department of Natural Resources, State of Alaska, or the Commissioner's authorized representative.

Lease Burden means the royalty, net profits or other interest reserved to the lessor in any oil and gas lease, or an overriding royalty, production payment, or other similar burden.

Leasehold Interest means the ownership in the oil and gas leases identified in Exhibit 1.

Participating Area means that reservoir that is part of the Subject Lands that is reasonably proven by drilling and completion of producible wells, geological and geophysical information, and engineering data to be capable of producing hydrocarbons in paying quantities, and is approved as such by the Commissioner and the Trust Authority.

Participating Interest means a Working Interest Owner's percentage of participation in the cost, risk, and rewards of an Operation conducted pursuant to this Agreement.

Production means all oil, gas, gaseous and liquid hydrocarbons, condensate, distillate, sulfur contained in gas, and all associated and constituent liquid or liquefiable hydrocarbons that may be produced and saved or sold from the Subject Lands or Unit Area.

Subject Lands means all the oil and gas leases that are described on Exhibit 1.

Trust Authority means the Alaska Mental Health Trust Authority.

Working Interest means the operating interest under an oil and gas lease.

Working Interest Owner means a Party to this Agreement that owns a Working Interest in the lease.

Unit Area means the area within the Angel Unit, as jointly approved by the Commissioner and Trust Authority, which includes all or a portion of the Subject Lands and is subject to the Angel Unit Agreement.

Unit Agreement is defined in the recitals.

ARTICLE 2. EXHIBITS

Exhibit 1	Oil and Gas Leases Subject to the Agreement
Exhibit 2	Plat of Subject Lands and Unit Area

ARTICLE 3. SCOPE OF AGREEMENT, COMMITMENT OF INTEREST, APPORTIONMENT OF COSTS, AND OWNERSHIP OF PRODUCTION AND PROPERTY

3.1. Scope of Agreement. This Agreement is intended to govern any and all Operations that are part of or necessary for exploring and developing the Subject Lands.

3.2. Commitment of Interests. LINC hereby subjects and commits to this Agreement all of its Working Interests in the Subject Lands.

3.3. Apportionment and Ownership. All costs and liabilities incurred in the conduct of each Operation under this Agreement shall be borne by LINC. All Production from a well or wells, subject to any Lease Burdens and to the relinquishment, reversion, and other provisions hereof, shall be owned by LINC. All materials, equipment, facilities and other property, whether real or personal, acquired hereunder, shall be owned by LINC.

ARTICLE 4.
LEASE BURDENS

LINC will pay all Lease Burdens that may become due and payable on the Subject Lands.

ARTICLE 5.
OPERATIONS

5.1 LINC shall direct and have control of all Operations conducted hereunder and shall conduct all such Operations in compliance with the Unit Agreement.

5.2 LINC shall notify the Commissioner and the Trust Authority of actions taken by LINC under this Agreement as may be required under a Lease, the Unit Agreement, or applicable laws or regulations.

5.3 No removal of LINC as the operator will be effective until: (a) LINC notifies the Commissioner and the Trust Authority; and (b) the Commissioner and the Trust Authority approve a successor operator. Any successor operator shall accept the rights and obligations as operator in writing. The successor operator will file an executed copy of the designation of successor with the Commissioner and the Trust Authority.

ARTICLE 6.
PARTICIPATING AREAS

LINC may initiate a proposal for the establishment or revision of a Participating Area. LINC shall have 100% of the Participating Interests in any Participating Area.

ARTICLE 7.
UNIT PLANS OF EXPLORATION AND DEVELOPMENT

Each unit plan for the exploration or development of the Unit Area shall be submitted by LINC to the Commissioner and Trust Authority in accordance with the Unit Agreement.

ARTICLE 8.
AMENDMENTS AND JOINDERS

6.1 Complete copies of any amendments to this Agreement, including all other agreements by LINC that affect the rights and duties under this Agreement, must also be filed with the Commissioner and the Trust Authority within 30 days of execution and at least 30 days before their effective dates.

6.2 The Commissioner and the Trust Authority may order or, upon request, approve a joinder to this Agreement under the expansion provisions of Article 13 of the Unit Agreement.

ARTICLE 9.
EFFECTIVE DATE AND TERM

This Agreement is adopted by LINC as of the Effective Date and shall remain in effect from such Effective Date and for so long as LINC retains a Leasehold Interest in any of the Subject Lands.

IN WITNESS OF THE FOREGOING, Linc Energy (Alaska), Inc., has executed and adopted this Unit Operating Agreement as of the Effective Date.

WORKING INTEREST OWNER

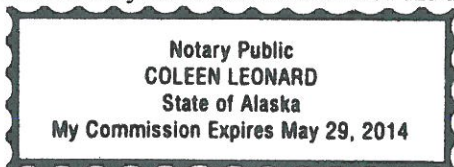
Linc Energy (Alaska), Inc.

By: Corri Feige
Corri Feige
Its General Manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

This certifies that on the 21st of May, 2012, before me, a notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Corri Feige, to me known to be the General Manager of Linc Energy (Alaska), Inc., the corporation that executed the foregoing agreement and acknowledged the agreement to be the free and voluntary act of and deed of the corporation, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.



Coleen Leonard
NOTARY PUBLIC in and for Alaska
My Commission Expires: May 29, 2014